

# Plan of Operation & Governance

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## **I. DEFINITIONS**

In order to clarify certain terminology, the following terms shall have the meanings set forth below:

“Act” shall refer to the Municipal Aggregation enabling act set forth at 20 ILCS 3855/1-92;

“Aggregation Program” or “Program” shall mean the program developed by the City of Decatur, as a Municipal Aggregator under the Act, to provide residential and small commercial customers in Decatur with retail electric supply as described in this document;

“Aggregation Consultant” or “Consultant” shall refer to an independent consultant with demonstrated expertise in electric supply contracting licensed in accordance with Section 5/16-115C of the Electric Service Customer Choice Act, 220 ILCS 5/16-115C.

“Aggregation Member” or “Member” shall mean a residential or small commercial retail electric account enrolled in the City of Decatur’s Municipal Electric Aggregation program;

“Alternative Retail Electric Supplier” or “ARES” shall mean an entity certified by the ICC to offer electric power or energy for sale, lease or in exchange for other value received to one or more retail customers, or that engages in the delivery or furnishing of electric power or energy to such retail customers, and shall include, without limitation, resellers, aggregators and power marketers but shall not include the Electric Utility or the City of Decatur. For purposes of this document, the definition of Alternative Retail Electric Supplier is more completely set forth in 220 ILCS 5/16-102;

“Ancillary Services” shall mean the necessary services that must be provided in the generation and delivery of electricity. As defined by the Federal Energy Regulatory Commission, they include: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves);

“Default Tariffed Service” shall mean the electricity supply services available to eligible retail customers of the Utility;

“Electric Utility” or “Utilities” shall mean Ameren IP as the entity that has a franchise, license, permit or right to distribute, furnish or sell electricity to retail customers within Decatur;

“Eligible Retail Customer” shall mean the residential and small commercial retail customers of the Utility;

IPA shall mean the Illinois Power Agency established by Public Act 95-0481, (20 ILCS 3855/1-1 et.seq.);

“Load” shall mean the total demand for electric energy required to serve the City of Decatur’s residential and small commercial members in the Aggregation;

“Municipal Aggregator” shall mean the City of Decatur acting as facilitator for the process of securing competitive retail electric rates for the Aggregation Members pursuant to the authority

conferred by the Act and in accordance with this Aggregation Plan of Operation and Governance;

“Decatur” or “The City” shall mean the City of Decatur, acting by and through its corporate authorities, and authorized City employees;

“Opt-Out” shall mean the process by which a customer who would be included in the Aggregation chooses not to participate in the Aggregation and to return to Ameren IP’s default tariffed service;

“PIPP” shall mean Percentage of Income Payment Plan (PIPP) created by the Emergency Assistance Act, 305 ILCS 20-18 to provide a bill payment assistance program for low-income residential customers;

“Plan” shall mean this Aggregation Plan of Operation and Governance;

“Power Supply Service Agreement” or “Service Agreement” shall mean the contract between the City of Decatur and the Alternate Retail Electric Supplier;

“REC” shall mean duly certified and verified Renewable Energy Credits; In all cases, the RECs must meet the U.S. Environmental Protection Agency's Green Power Partnership's definition of eligible green power resources, vintage requirements, and "new" requirements as detailed ([http://www.epa.gov/greenpower/documents/gpp\\_partnership\\_reqs.pdf](http://www.epa.gov/greenpower/documents/gpp_partnership_reqs.pdf)).

“Small Commercial Retail” shall mean those retail customers with an annual usage of 15,000 KWH or less annually, provided, however, that the definition of Small Commercial Retail will include such other definition or description as may become required by law.

## **II. HISTORY AND PURPOSE OF MUNICIPAL AGGREGATION**

Public Act 96-0176 amended the Illinois Power Agency Act (20 ILCS 3855/1-92, “the Act”) by adding a new section 1-92. Section 1-92 of the Act defines two types of electricity aggregation programs that may be enacted by municipalities such as the City of Decatur: opt-in aggregation and Opt-out aggregation. Furthermore, the Act authorizes the Corporate Authorities of a municipality to initiate a referendum which, if approved, would authorize such municipality to arrange for the supply of electricity for eligible residential and small commercial retail customers who have not opted out of such a program. Upon approval of such a referendum, the Act further authorizes the Corporate Authorities of a municipality to adopt one or more ordinances to aggregate the electric loads of small commercial and retail customers located within the City and to then solicit bids, select a retail electric supplier, and enter into a service agreement to facilitate the purchase of electricity and related services and equipment on behalf of its eligible customers. The statute is a part of the state’s electric deregulation efforts which allow customers access to competitive retail electric markets.

In accordance with the Act, in August 2012, the City Council of Decatur passed a resolution authorizing a referendum on the November, 2012 ballot which asked the public for authority to create an Opt-out aggregation program for its residents and small business customers. The City, through an RFQ process, hired the services of a Consultant, Good Energy, to assist with bidding, selecting the electricity supplier and implementing the Opt-out program.

Good Energy conducted a public outreach campaign to educate residents and small businesses about the Municipal Electric Aggregation Program. Outreach efforts included public meetings, press releases, news articles in local news papers and appearances on popular local radio shows.

Municipal aggregation, the combining of multiple retail electric loads by the municipality, provides the means through which municipal residential and small commercial retail customers may obtain economic benefits of Illinois’ competitive retail electric market. The City will act as a purchasing agent for the Aggregation Group, as provided in the Illinois statutes and the rules established by the applicable governmental agencies, to solicit bids for the purchase of that electricity. Decatur’s program will solicit bids for both a lowest rate alternative as well as an alternative for a cleaner, greener supply of electric power. With an estimate of 36,000 eligible electric accounts in the City, the Aggregation has the potential to attract lower rates than the current default tariffed service rate, while also acquiring a cleaner power supply.

Decatur’s program not only provides these services, but provides the bargaining power achieved through the size of the Aggregation. The Program is designed to reduce the amount its members pay for electric energy power supply and gain other favorable terms of service.

The City of Decatur does not own electric generation assets and will not purchase and resell electricity, but represents consumer interests as a governmental aggregator to set the terms for electricity supply and service from competing ARES licensed with the State. Through a competitive bid process operated and managed by Consultant, the City will enter into a contract with an ARES for full-requirements retail electricity supply service. The contract is expected to be for a fixed price for a specified term. The City may contract with one or more ARES if necessary to meet the needs of participating residents and small businesses. The ARES shall provide accurate and understandable pricing, ancillary services and an opt-out notification plan.

The ARES will also perform and manage ancillary services for the Aggregation Members as described in this document

Because the City adopted an opt-out aggregation program, all customers in the defined aggregation group participate in the program unless they affirmatively elect to opt out of the program. By including procedures by which customers may opt-out, the Aggregation Program ensures that participation is voluntary and individuals have the ability to decline to participate.

As required by law, this Plan of Operation and Governance describes:

- 1) How the Aggregation Program will provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers;
- 2) How demand management and energy efficiency services will be provided to each class of customers; and
- 3) How the Aggregation will meet any other legal requirements concerning aggregated electric service.

Decatur and the selected ARES will follow the Plan of Operation and Governance set forth in this document.

### **III. PROCESS**

- I. **PLAN OF OPERATION AND GOVERNANCE (POG):** A proposed Plan of Operation and Governance prepared by the City staff will be available on city's website at <http://www.decaturl.gov> for public review and comment starting November 7th. There will also be two public meetings to gather community input. The public meetings will be held Tuesday, November 13, 2012 at 10:00 AM and 5:30 PM at the Madden Auditorium, Decatur Public Library, 130 North Franklin Street, Decatur, Illinois 62523. The proposed POG may be modified, amended or revised before, during or after the public hearings and before its final approval by the City Council. It is anticipated that the POG will be considered by the City Council of Decatur during its regular meeting scheduled for Monday, November 19, 2012. This plan will then become the binding document for the Aggregation Program.
- II. **SOLICITATION OF BIDS:** City has retained the services of Good Energy, LP ("Consultant") to assist with administering the Aggregation Program. This includes preparing an RFP and managing the competitive bidding process to help the City select the most suitable ARES and commodity product for Aggregators. The process will be in accordance with the Sections IV to VIII of this document.
- III. **ROLES AND RESPONSIBILITIES:** The City will work collaboratively with the Utility, the Consultant and the ARES to offer a good aggregation program for the residents of Decatur. This section outlines the roles and responsibilities of various players.

## **ROLE OF THE UTILITY, AMEREN IP**

- A.** Notwithstanding Section 16-122 of the Public Utilities Act and Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, an electric utility that provides residential and small commercial retail electric service in the aggregate area, must provide account numbers, names, and addresses of residential and small commercial retail customers in the aggregate area that are reflected in the electric utility's records at the time of the request in an electronic format.
- B.** Ameren will provide a monthly billing statement to each Program participant which shall include ARES charges. The ARES will not charge any additional administrative fee(s).
- C.** Ameren will continue to provide customer service for all the customers in the aggregation program.

## **ROLE OF THE CITY OF DECATUR**

- A.** After the adoption of this POG, the City Manager shall submit to Ameren IP, in writing, a warrant demonstrating the passage of the City's municipal aggregation ordinance, the adoption of this Plan by the corporate authorities, and requesting the identification of retail and small commercial electric customer account information and generic load profiles.
- B.** The City will maintain the customer information it receives in a confidential manner as required by law and will use that information only for purposes of its Municipal Aggregation. Customer account information will be considered confidential and will not be disclosed under the Freedom of Information Act.
- C.** The City review the customer list to remove ineligible customers, provided however, that the City shall have no responsibility to potential aggregation members or the ARES for the accuracy of the customer account information provided.
- D.** The City, in cooperation with the Aggregation Consultant, will develop the RFP in accordance with the terms set forth in this document.
- E.** The City will inform the potential bidders in the RFP document of the City's generic load profile information as provided by Ameren IP.
- F.** The City is under no obligation to enter into any service agreement with any ARES and may, in its discretion, chose to have the aggregation members remain on Ameren IP's default tariffed service, or to re-bid the electric service under the same or amended terms of this Plan.
- G.** The City, as the facilitator of this bidding process, is not responsible for providing electricity to the members of the Aggregation, or for billing or collecting for electricity provided under any ARES power supply agreement, and has no responsibility beyond the duties described herein. Ameren IP will continue to provide a single bill to Aggregation Members for all electrical charges.

## **ROLE OF THE AGGREGATION CONSULTANT, GOOD ENERGY**

- A. Licensure and Code of Conduct.** The Aggregation Consultant will be duly licensed as required by the Electric Service Customer Choice and Relief Act, 220 ILCS 5/16-115C and will comply with the code of conduct requirements there under.
- B. Duties.** The Aggregation Consultant shall advise the City and assist the City with the development and implementation of its Municipal Aggregation Program, including advising staff and elected officials (at the request of the City Manager) on all aspects of the program; developing all necessary documents, soliciting and reviewing bids received, making recommendations as appropriate and monitoring the ARES' compliance with the requirements of the Service Agreement.
- C. Required Independence and Disclosures.** As required by the Electric Service Customer Choice Act, the Consultant will be in a fiduciary relationship with the City and owes the City and its Aggregation Members the duty of loyalty and independent judgment. The Consultant will be disqualified if it acts as the agent for any ICC certified ARES. It is the duty of the Consultant to disclose any such relationships and to terminate the agreement in the event of such a relationship. Breach of these terms will result in the City terminating the Consultant Agreement.
- D. Fee.** The Consultant shall not be paid directly by the City, but will receive a broker fee directly from the selected ARES. If the City chooses not to contract with an ARES, the City will not be responsible to pay the Consultant any fee or compensation.
- E. Confidentiality.** The Consultant will have access to confidential customer account information and agrees not to use that information for any purposes outside the scope of the services provide by this Agreement and specifically agrees not to use for itself, or to sell, trade, disseminate or otherwise transfer that information to any other party for any purpose other than this Aggregation Program.
- F. City Assistance.** The Consultant shall advise the City on any changes in laws, rules, tariffs or any other regulatory matter that impacts the Aggregation during the term of the Service Agreement.
- G. Ownership of Work Product.** The Consultant shall not use any City work product for any other client or represent any City work product as its own.

## **ROLE OF THE ALTERNATE RETAIL ENERGY SUPPLIER (ARES)**

- A.** The ARES shall provide adequate, accurate, and understandable pricing, terms and conditions of service, including, but not limited to, no switching fees and the conditions under which Program participant may Opt-Out without penalty.
- B.** The ARES must provide the City of Decatur and Consultant, upon request, an electronic file containing the Program participant's usage, charges for retail supply service and such other information reasonably requested by the City or the Consultant.
- C.** The ARES shall create and maintain a secure database of all Program participants. The database will include the name, address, Ameren account number, and the ARES's account number of each active Program participant, and other pertinent information such as rate code, rider code (if applicable), most recent 12 months of usage and demand, and meter reading cycle. The database will be updated at least quarterly. Accordingly, the Supplier will develop and implement a program to accommodate participants who (i) leave the Program due to relocation, Opting-Out,



etc. (ii) decide to join the Program; (iii) relocate anywhere within the corporate limits of the municipality, or (iv) move into the municipality and elect to join the Program.

**(See Appendix A of this Plan)**

- D. Education: The ARES shall develop and implement an educational program that generally explains the Program to all residential and small business customers.
- E. ARES will provide updates and disclosures mandated by Illinois law and applicable rules and regulations, and implement a process to allow any participant the opportunity to Opt-Out of the Program according to the terms of the Power Supply Agreement.
- F. Customer Service: Supplier shall hire and maintain an adequate customer service staff and develop and administer a written customer service process that will accommodate participant inquiries and complaints about billing and answer questions regarding the Program in general. This process will include a description of how telephone inquiries will be handled, either internally or externally, how invoices will be prepared, how participants may remit payment, and how collection of delinquent accounts will be addressed. The ARES and the City will enter into a separate customer service plan agreement or the terms shall be included in the Power Supply Agreement.
- G. Billing: Ameren will provide a monthly billing statement to each Program participant which shall include ARES charges. The ARES will not charge any additional administrative fee(s).
- H. Compliance Process: The ARES shall develop internal controls and processes to ensure that City of Decatur remain in good standing as a Governmental Aggregator and ensure that the Program complies with the Act and all applicable laws, and rules and regulations, as they may be amended periodically. It will be the ARES responsibility to deliver reports at the request of the municipality in a timely manner that will include (i) the number of participants in the Program; (ii) a savings estimate or increase from the previous year's baseline; (iii) such other information reasonably requested by the municipality; (iv) comparison of the participants charge for the supply of electricity from one designated period to another identified by the municipality. The ARES shall also develop a process to monitor, and shall promptly notify in writing, any changes or amendments to the Act, laws, rules or regulations applicable to the Program.
- I. Notification to Ameren: The residential and small business customers in Decatur that do not Opt-Out of the Aggregation Program will be enrolled automatically in the Program by the ARES. Eligible residents and small businesses included in the Program will not be asked to take affirmative steps to be included in the aggregation group. To the extent that Ameren requires notification of participation, the ARES shall provide such notice to Ameren. Periodically, the ARES will inform Ameren through electronic means, of any new members that it is enrolling into the Aggregation Group.

#### **IV. BIDDING**

- 1. Bidding Procedures.** The City, working in cooperation with the Consultant, shall develop a Request for Proposals containing the terms and conditions required in this Plan of Operation and Governance. The bidding process will be conducted in accordance with all applicable state and local laws and normal City bidding practices and protocols.

The corporate authorities of the City of Decatur will retain the full and absolute right to accept, accept with conditions, or reject any bid. The City may, but is not required to, select an ARES to provide an energy power supply for the Aggregation Program according to the terms of the Service Agreement between Decatur and the ARES.

If the City does not award a contract as a result of the bid process, the City will notify the Aggregation Members that their electricity will continue to be provided by Ameren IP's default tariffed service provider.

## **2. Contents of the Bid**

### **I. Term of Agreement:**

Bids by prospective ARES shall provide 12 month, 17 month, 24 month and 36 month terms. City of Decatur will select the length of term that offers the most protection against future increases in energy prices.

### **II. Power Mix:**

Bidders will quote rates for the following energy mixes:

- a. Lowest Price Mix. The lowest priced electricity supply available from the ARES using, at a minimum, renewable energy consistent with the Renewable Portfolio Standard required by law. Between comparable offers, the City will give preference to any bidder that provides all its power from sources other than coal.
- b. 25% Renewable - REC Supported Mix. Electricity where 25% of the energy used by the aggregated accounts will be offset by Renewable Energy Credits shall be Green-e certified.
- c. 50% Renewable - REC Supported Mix. Electricity where 50% of the energy used by the aggregated accounts will be offset by Renewable Energy Credits shall be Green-e certified.
- d. 75% Renewable - REC Supported Mix. Electricity where 75% of the energy used by the aggregated accounts will be offset by Renewable Energy Credits shall be Green-e certified.
- e. 100% Renewable - REC Supported Mix. Electricity where 100% of the energy used by the aggregated accounts will be offset by Renewable Energy Credits shall be Green-e certified.

### ***Renewable Energy Credits (REC's)***

In all cases, the RECs must meet the U.S. Environmental Protection Agency's Green Power Partnership's definition of eligible green power resources, vintage requirements, and "new" requirements as detailed in [http://www.epa.gov/greenpower/documents/gpp\\_partnership\\_reqs.pdf](http://www.epa.gov/greenpower/documents/gpp_partnership_reqs.pdf).

Both the RECs and the winning supplier will be Green-e certified and/or the RECs will be sourced through MISO-registered renewable sources in order to satisfy the precise mix of green power necessary to achieve the goal of environmental steward in the community. Though there is a preference for Illinois-generated renewable electricity, this electricity may come from other U.S. States.

### **III. Rates:**

The bid documents shall require the ARES to provide the rate information in the following format:

<b>Length of contract</b>	<b>Best Rate Mix</b>	<b>25% RECs Mix</b>	<b>50% RECs Mix</b>	<b>75% RECs Mix</b>	<b>100% RECs Mix</b>
12 month					
17 month					
24 month					
36 month					

The City's intent in soliciting the bids is to provide residents with delivered electricity prices that are always less than Ameren's applicable rates. The City is also interested in selecting a renewable energy option in a cost effective way with a Price Match guarantee.

Price Match: The lowest that supports a "Utility Price Match" meaning the ARES will be required to match future Ameren tariff rates in the event Ameren tariff rates decrease in price below the program price per kilowatt-hour.

#### **IV. Other Charges:**

The selected ARES will not impose any terms, conditions, fees or charges on any Member served by the Aggregation Program other than the rate quoted above and a reasonable administrative fee for customers who opt out after the initial opt out process has concluded.

#### **V. Disclosure:**

In bidding, the ARES shall disclose the percentage of the rate that is attributable to administrative services and the energy consultant's commission.

#### **VI. Opt Out notifications:**

Bidders shall describe the manner and time in which the Opt Out Notification process will be handled and the manner in which it communicates with Ameren IP to track customer participation in the Aggregation.

#### **VII. Mid-term customer additions:**

Bidders will describe how they will handle customers who want to join the Aggregation after the beginning of the Service Agreement, including customers who relocate within the City and new customers who establish new electric service.

#### **VIII. Qualifications:**

Bidders will demonstrate that they meet all of the qualifications listed in Section C below.

#### **IX. PIPP participation:**

Bidders will state whether they participate in the PIPP program. Bidders will also describe their process for notifying PIPP customers of the consequences of participating in the Aggregation.

#### **X. Subcontractors:**

Bidders shall not employ any subcontractors other than as necessary for administrative tasks such as notices and printing, without the prior authorization of the City. All subcontractors will be held to the same strict confidentiality standards applicable to the ARES and will be required to otherwise comply with the requirements of the Service Agreement. The use of subcontractors whether approved or unapproved will not relieve the ARES from the duties, terms and conditions in the Service Agreement. Bidders shall be authorized resellers of electricity. As such their relationships with energy producers shall not be considered subcontracts for purposes of this document.

#### **XI. Member Services:**

Bidders will describe how they will provide membership education, including Aggregation and Opt Out notices, how they will respond to customer inquiries, how they will communicate with the public regarding the Aggregation Program and any other ongoing consumer education efforts.

**XII. Confidentiality:**

Bidders must describe the controls they have in place to guarantee the confidentiality of customer information.

**XIII. Customer Service.**

Bidders shall respond with information on how they will provide customer service to the City.

**XIV. New Accounts.**

Bidders will follow the process for adding new customer accounts to the Aggregation during the term of the Service Agreement as outlined in the Section – 6c “Move-in’s and Move Outs” .

**3. Qualification of Bidders**

Bidders must demonstrate that they satisfy each of the following requirements:

- Maintain a certificate of serviced authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the ICC;
- Register as a retail electric supplier with Ameren IP;
- Maintain a Service Agreement for Network Integration Transmission Service under Open Access Transmission Tariff;
- Maintain the necessary corporate structure to sell energy power supplies to the Ameren IP residential and small commercial retail customers in Decatur;
- Maintain an Electronic Data Interchange computer network that is fully functional at all times and includes back-up file saving systems, and is capable of handling the Ameren IP residential and small commercial retail electric customers in Decatur;
- Maintain the marketing ability to reach all Ameren IP residential and small commercial retail customers in Decatur to educate them on the terms of the Aggregation Program and the Act, ensuring that marketing materials take into account multiple modes of communication including but not limited to regular mail using the City’s envelopes, email distribution lists, websites, social media and phone contact;
- Maintain a call center capable of handling calls from Aggregation Members with a minimum number of ten (10) lines and a description of the command of authority to resolve issues;
- Maintain a local or toll-free telephone number for customer service and complaints related to the Decatur’s Aggregation Program with a detailed plan for reaching multi-lingual customers or customers with disabilities;
- Comply with Purchase of Receivables-Consolidated Billing (“POR-CB Program”) facilitating Ameren single billing to participants of the Aggregation Program.
- Comply with all applicable laws and regulations of the State of Illinois.

**4. Bid Evaluation**

The City will evaluate the bids on the following criteria:

- Price per kWh and corresponding terms.
- Qualifications of the Bidder.
- Power supply contract flexibility.
- Quality of the Response to the Request for Proposal.

- Quality of Marketing Plan and Timeline.
- Municipal Electric Aggregation Experience.
- Any other factors deemed to be in the City's best interest.

#### **5. Award of Bid**

The City will award a contract to any bidder which the City Manager determines to be in the best interest of the City. The City will not be required to award any contract.

## **V. POWER SUPPLY SERVICE AGREEMENT**

The City will enter into an agreement with a selected ARES which contains the following minimum terms and conditions:

**A. Term:** Bids by prospective ARES shall provide 12 month, 17 month, 24 month and 36 month terms. City of Decatur will select the length of term that offers the most protection against future increases in energy prices. At its discretion, the City will set the time duration of any subsequent contract term.

**B. Rate:** The agreement shall specify the rates and the power mix as quoted in the proposal and shall specify all additional or ancillary fees.

**C. Compliance with Requirement in the Bid:** The agreement shall require the ARES to maintain all required qualifications, and to provide all services required in the bid.

**D. Confidentiality of Customer Database:** The ARES shall preserve the confidentiality of all Aggregation Members' account information and shall agree to adopt and follow protocols to preserve that confidentiality. The ARES, as a material condition of any contract, shall not disclose, use, sell or provide customer account information to any person, firm or entity for any purpose outside the operation of this Municipal Aggregation Program. This provision will survive the termination of the agreement. The City, upon receiving customer information from Ameren IP, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act, 815 ILCS 505/2HH.

**E. Non-Competition:** The ARES must agree not to solicit or contract directly with eligible Aggregation Program customers for service or rates outside the Aggregation Program, and agrees not to use the Customer information for any other marketing purposes.

**F. Hold Harmless:** The ARES must agree to indemnify and hold City of Decatur harmless from any and all claims, causes of action, damages, judgments, financial obligations arising out of its role as facilitator of the Municipal Aggregation.

**G. Insurance:** The ARES shall obtain and maintain, for the duration of the Power Supply Agreement, such proof of insurance and performance security as the municipality deems necessary.

**H. Services:** The agreement shall require the ARES to provide all services in compliance with this plan, as may be amended.

**I. Additional Services:** The Agreement may provide that the ARES will assist the City in developing a Member Education Plan and in the development of a Energy Efficiency program, or provide such other energy efficiency education services as may be mutually agreed upon by the parties.

**J. Reporting:** The agreement will provide that the ARES will provide the City with such reports and information as required in this Plan.

**K. Costs:** All costs of the aggregation program development and administration will be paid by the ARES.

## **VI. IMPLEMENTATION PROCEDURES**

### **A. Development of Customer Database**

Pursuant to ICC regulations, after this Plan is approved by the City, the City Manager or his designee will then submit a Direct Access Request and Government Authority Aggregation Form to Ameren IP (ILL.C.C. No.10 Rate GAP Government Aggregation Protocols, Sheets 406-411, April 17 2011) requesting that it provide the City with Retail Customer Identification Information. Ameren IP will provide the City with the requested information within ten (10) business days of receiving the request in accordance with those adopted protocols.

After selecting and contracting with an ARES, the City, under confidential agreement with the ARES, will work with the ARES, to remove any customers determined to be ineligible due to one or more of the following:

1. The customer is not located within the City;
2. The customer has a pre-existing agreement with another ARES;
3. The customer has free Ameren IP service;
4. The customer has hourly rate Ameren IP customer (Power Smart Pricing);
5. The customer is on Ameren IP's All Electric Heat rate;
6. The customer is on a Ameren IP bundled hold.

The ARES and the City will complete this eligibility review within 5 business days.

The Retail Customer Identification Information will remain the property of the City of Decatur, and the ARES will comply with the confidentiality and non-compete provisions in the Service Agreement.

After the Retail Customer Identification Information is reviewed, the ARES will mail the Opt-Out Notices described below to all eligible account holders within the boundaries of Decatur.

The ARES shall treat all customers equally and shall not deny service to any customer in the Aggregation Program, or alter rates for different classes of customers unless authorized by Illinois state law.

### **B. Maintenance of Accurate and Secure Customer Records**

The ARES will maintain a secure database of Customer Account Information. The database will include the Ameren IP account number, and ARES account number of each active

Member, and other pertinent information such as rate code, rider code (if applicable), and usage and demand history. The database will be updated on an ongoing basis.

The ARES will maintain the database in a secure and confidential manner. The ARES will keep Customer Account Information for a minimum of two years following the termination of the service.

### **C. Opt-Out Process**

The City's Aggregation Program is an Opt-Out program pursuant to 20 ILCS 3855/1-92. Any eligible electric account that opts out of the Program pursuant to the procedures stated below will automatically be placed on the Ameren IP default tariffed service unless and until the account chooses another ARES.

A listing of the Ameren customer rates may be found for homes at

<http://www.ameren.com/sites/aiu/Rates/Pages/ResidentialRates.aspx>

and

businesses

at

<http://www.ameren.com/sites/aiu/Rates/Pages/NonResidentialRates.aspx>

#### **1. Eligible customers**

Eligible customers will include all residential and small commercial retail accounts except for

- customers not located within the City limits of Decatur;
- customers with a pre-existing agreement with another ARES;
- customers with free Ameren IP service;
- customers with hourly rate/ power smart pricing from Ameren;
- customers with Ameren's All Electric Heat rate
- customers with net metering programs or
- or business customers with more than 15,000 kWh annual usage.

Following completion of the RFP and after the City has selected the ARES and has successfully locked in a fixed supply rate, the City will share the eligible customer list with the selected ARES. The ARES will have 30 days from the receipt of the data to mail the Opt-Out notices to all eligible residential and small businesses included in the program.

#### **2. Manner of Providing Notices and Information**

The ARES will mail Aggregation and Opt-Out Notices to the eligible account holders within the boundaries of Decatur at the address provided with the Retail Customer Identification Information by Ameren IP.

#### **3. Content of Notice**

The City and the selected ARES will agree to the format and contents of the Aggregation and Opt-Out Notice prior to distribution or mailing. The contents of the notice will be on the City's letterhead to avoid any confusion with other offers by other licensed ARES in the state of Illinois. ARES will be required to pay for the cost of printing and mailing the Opt-Out notices. The Notice will inform the electric account owner of the existence of the Aggregation Program, the identity of the ARES, the rates to be charged. The Notice will also inform PIPP customers of the consequences of participating in the Aggregation. The Notice will provide a method for customers to Opt Out of the Aggregation Program. The Notice shall indicate that



it is from the City, and include the City name and logo on the envelope. **The Notice shall be signed by the City Manager or his designee.**

4. Time to Respond

Aggregation Members shall have at least nineteen (19) calendar days from the postmark date on the notice to mail the Opt-Out card back to the ARES stating their intention to Opt Out of the City Aggregation Program.

The time to respond shall be calculated based on the post mark date of the notice to the customer and the post mark date of the customer's response. The ARES may offer additional means of opting out, such as a toll-free number, website, smart device quick response code, email address or fax number, each of which must be received within 19 days from the post mark date on the Opt Out notice. Upon receipt of the opt-out reply, the ARES will remove the account from the Aggregation Program.

After the expiration of the nineteen (19) day Opt Out period, the Customer list shall become final. All customers who have not opted out will be automatically enrolled in the Program. Customers will not need to take any affirmative steps in order to be included in the program.

When the selected ARES submits a valid enrollment request to Ameren Illinois, Ameren Illinois will send a letter notifying the customer of the impending enrollment. If the enrollment information on the notification letter is incorrect, or if the customer has changed his/her mind regarding the enrollment, then the customer must notify Ameren Illinois as soon as possible. Specifically, the customer has ten calendar days from the date that Ameren Illinois processes the Supplier's enrollment to contact Ameren Illinois and request a rescission of the pending enrollment. The last day of the ten calendar day rescission window is stated in the customer enrollment letter. ARES may assess a fee to the customer for rescinding the ARES enrollment after the Opt-Out period.

In the event that an eligible Aggregation Member is inadvertently not sent an Opt-Out Notice, or is inadvertently omitted from the Program, the ARES will work with the City and the Member to ensure that the Member's decision to remain in, or opt out, of the Program is properly recorded and implemented by the ARES.

5. Move in's and Move Out's

Residents and businesses that move into the corporate limits of City of Decatur will be automatically included in the Program. Consultant will periodically request updated account lists from Ameren and the winning ARES. Through a comparative scrubbing process, Consultant will then send a list of newly eligible, but currently not enrolled accounts to ARES, where upon ARES will promptly send Opt-Out notices so that these account holders may be given the option to participate. These accounts will be given fifteen (15) days from the postmark date on the notice to return the Opt-Out notice if they do not wish to participate in the Program. Residents and businesses that move out of the corporate limits of City of Decatur will be automatically Opted out of the Program.

6. Change of Address



The City will negotiate a plan with selected ARES that shall continue service at the same rate and under the same terms and conditions for residents and small businesses that are in the Program, but move within the City limits of Decatur prior to the expiration of the contract term, providing the electric customer notifies the ARES of their intent to do so. In this circumstance, residents and small business are typically able to opt-out without being assessed an early termination charge by simply doing nothing. Ameren would enroll the new electrical account automatically as the local distribution company.

#### **D. Notification to Ameren IP**

Pursuant to ILL.C.C. No.10, Rate GAP, after the Opt-Out response period has expired, the ARES shall submit the account numbers of participating Aggregation Members to Ameren IP and the rate to be charged to those customers pursuant to the Service Agreement and the customer's election. The ARES will provide that information to Ameren IP in the format Ameren IP requires.

The ARES will establish procedures and protocols to work with Ameren IP on an ongoing basis to add, delete or change any customer participation or rate information.

Ameren IP will then notify customers that they have been switched to the ARES and provide the customer with the name and contact information of the ARES. Customers will have the option to rescind their participation in the program according to time frames and procedures established by Ameren IP.

#### **E. Activation of Service**

Upon notification to Ameren IP, the ARES will begin to provide electric power supply to the members of the Aggregation Program without consumer action. The service will begin on the customer's normal meter read date within a month when power deliveries begin under the Aggregation Program.

#### **F. Billing**

Collection and credit procedures remain the responsibility of the Utility and the individual Aggregation Member. Members are required to remit and comply with the payment terms of Ameren. The City will not be responsible for late payment or non-payment of any Member Accounts. Neither the City nor the ARES shall have separate credit or deposit policies for Members.

## **VII. ADDITIONAL SERVICE TERMS AND CONDITIONS**

#### **A. Member Education**

At the discretion of the City of Decatur, the ARES will assist Decatur in developing and implementing a program to educate residential and small commercial retail Aggregation members on the Aggregation Program, as well as energy efficiency and conservation tools. The ARES will also provide the Aggregation Members with updates and disclosures mandated by ICC and IPA rules.

#### **B. Universal Access**

The ARES will implement a process to provide universal access including Member Education for multi-lingual members and members with disabilities.

### **C. Customer Service**

The ARES will develop and administer a customer service process that, at a minimum is able to: (i) accommodate Member inquiries and complaints about energy supply and services; and (ii) answer questions regarding the Program in general. This process will include a local telephone number for customer inquiries; a description of how telephone inquiries will be handled; a description of how communications between the City, the ARES and Ameren will be reviewed for quality and timeliness; and a process by which the ARES can demonstrate meeting minimum customer service standards.

### **D. Compliance with Laws**

The ARES will develop internal controls and processes to ensure that Decatur remains in good standing as a Municipal Aggregator that complies with all laws, rules and regulations surrounding the same, as they may be amended from time to time.

### **E. Reporting**

#### **1. Power Mix Reporting**

The ARES's will deliver quarterly reports to the City and the Consultant which substantiate that: (a) it generated or purchased electricity with the claimed attributes in amounts sufficient to match actual consumption by the Aggregation Members; (b) the electricity was supplied to the interconnected grid serving the Aggregation Members; and (c) the same generated electricity was not sold to more than one consumer.

The report will show the source of the power and demonstrate that the power was provided in accordance with Renewable Portfolio Standards and the federal Clean Air Act regulations and permits.

#### **2. REC Reporting**

The ARES will deliver reports that provide competent and reliable evidence to support the fact that it purchased properly certified RECS in a sufficient quantity to offset the non-renewable energy provided in the mix.

#### **3. Aggregation Reports**

The ARES will provide the City with quarterly reports showing the number of Members participating in the Aggregation Program and the total cost for energy provided to the Aggregation as compared to the Ameren's default tariffed service rates. In addition, the ARES will report its efforts at member education.

## **VIII. TERMINATION OF SERVICE**

#### **1. End of Term**

The City's service agreement with the ARES will terminate upon its expiration, provided that the ARES will continue to provide service at their best rate on a month to month basis after the expiration of the contract term until the City provides it with 30 day written notice to discontinue providing service.

#### **2. Early Termination**

The City will have the right to terminate the agreement prior to the expiration of the term in the event the ARES commits any act of default. Acts of default include but are not limited to the following:

- a. Breach of Confidentiality regarding Customer information.
- b. The ARES becoming disqualified to perform the services by virtue of the lapse or revocation of any required license or certification listed as a qualification in the RFP.
- c. Ameren's termination of its relationship with the ARES.
- d. Any act or omission which constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice.
- e. Billing in excess of the approved kWh rates and stated charges.
- f. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges.
- g. Failure to perform at minimum levels of customer service required by the City.

The City will provide the ARES with written notice of immediate termination in the event that any of the defaults listed above under subsections a. through d. exist.

The City will provide the ARES with written notice of default in the event of any default listed under subsections e. through g., or any other event of default not listed above. The ARES and the City will attempt to resolve any issues cooperatively within 7 business days. If the issue is not resolved, the City will again notify the ARES in writing of its intention to terminate the agreement within 30 days if the issue is not resolved to the City's satisfaction.

Upon termination for any reason, the City will notify Ameren to return the Aggregation Members to the default tariffed electric service.

Upon termination, each individual Member will receive written notification from the City of Decatur of the termination of the Program. Such notice will also inform Members of their electric supply options.

#### **G. Jurisdiction**

Any disputes between the ARES and the City will be resolved in the courts or before state agencies in the State of Illinois regardless of any conflicts laws to the contrary.

#### **H. Limitation Of Liability**

The City of Decatur shall not be liable to Aggregation Members for any claims, however styled, arising out of the aggregation program or out of any City act or omission in facilitating the Municipal Aggregation program.

In addition, the ARES agrees to hold the City harmless from any claim, cause of action, or proceeding of any kind which may be filed against the City arising out of the services provided by the ARES or any act or omission of the City in obtaining the services of the ARES. Participants in the aggregation program shall assert any such claims solely against the ARES pursuant to the power supply agreement, under which such participants are express third party beneficiaries.

## **IX. INFORMATION AND COMPLAINT NUMBERS**

Copies of this Plan will be available from the City of Decatur free of charge. Call Dept. of Development Services at (217) 424-2778 for a copy or for more information. Any electric customer, including any participant in Decatur's aggregation program, may contact the Illinois Commerce Commission for information, or to make a complaint against the Program, the ARES or Ameren IP. The ICC may be reached toll free at 217-782-5793.